

DRAFT**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Telecommunications Division
Public Program Branch***

**RESOLUTION T-16627
February 21, 2002**

RESOLUTION

RESOLUTION NO. T-16627. TO ESTABLISH THE DEAF AND DISABLED TELECOMMUNICATIONS EQUIPMENT AND SERVICE PROGRAMS (PUBLIC UTILITIES CODE SECTION 2881, ET SEQ.) JANUARY THROUGH JUNE 2002 BUDGET PURSUANT TO DECISION NO. 89-05-060.

BY COMPLIANCE FILING MADE BY THE DEAF AND DISABLED TELECOMMUNICATIONS PROGRAM ADMINISTRATIVE COMMITTEE (DDTPAC) ON JULY 5, 2001.

SUMMARY

This resolution adopts a January through June 2002 six-month budget of \$27,061,998 for the Deaf and Disabled Telecommunications Equipment and Service Programs (DDTP), pursuant to Public Utilities (PU) Code Section 2881, et seq. This six-month budget positions subsequent DDTP budgets to be aligned with the California state fiscal year of July 1 through June 30. The surcharge rate of 0.48%, effective September 1, 2001 per Resolution T-16504, remains unaltered.

In the year 2001, the DDTP faced a zero surcharge rate for the first nine months of the year. In addition to working in an austere budget environment, the DDTP required and obtained a loan to meet expenditures in September and October 2001. Resolution T-16565 authorized the Executive Director of the Commission to transfer a loan of \$15,000,000 from the California High Cost Fund-B (CHCF-B) Trust to the Deaf Equipment Acquisition Fund (DEAF) Trust as authorized by Assembly Bill (AB) 219.

The Deaf and Disabled Telecommunications Program Administrative Committee (DDTPAC) submitted its proposed six-month budget of \$31,198,971 on July 5, 2001. In addition to normal expenses, the DDTP is required, according to an August 2, 2001 Loan Agreement between the DDTP and the CHCF-B Trust, to repay a \$15,000,000 loan and interest by June 30, 2002. The first three months of the proposed six-month budget is based upon the year 2001 budget with the additional expense of the loan repayment. From April through June 2002, the DDTP proposes increases in marketing and outreach efforts. The DDTP also plans to open the walk-in center that the Commission approved

in the 2001 budget. The DDTP anticipates that equipment and relay services programs will exhibit growth related to the marketing and outreach increases and the additional walk-in center. Finally, the DDTP plans to hire employees to fill positions that the Commission also approved in the 2001 budget.

In reviewing this six-month budget, the Telecommunications Division (TD) recommends that the DDTP continue operating at or near existing budget levels, but acknowledges the DDTP's desire to increase the number of consumers served by its programs. In addition, TD expresses concern regarding the limited data showing the correlation between marketing and outreach efforts and equipment or program usage. TD revised salary estimates from the DDTP for the January through June 2002 six-month budget. TD included a 2.75% cost of living adjustment (COLA), which is equal to the annual COLA adopted by the Commission in Resolution T-16435 for the FY 2001-2002 Universal Lifeline Telephone Service budget.

BACKGROUND

In compliance with state legislation (P.U. Code Section 2881, *et seq.*) the Commission implemented three telecommunications programs for California residents who are deaf, hearing impaired or otherwise disabled. The bill number of the enabling legislation commonly identifies these programs. Senate Bill (SB) 597 authorizes the provision of TTYs to deaf or hard-of-hearing individuals. SB 60 authorizes provision of other specialized telecommunications equipment to consumers with hearing, vision, mobility, speech and cognitive disabilities. This equipment includes amplifiers, speakerphones, and cordless phones. The third program, established by SB 244, is the California Relay Service (CRS) which uses third-party intervention to connect individuals who are deaf or hearing impaired as well as offices of organizations representing the deaf or hearing impaired with hearing parties.

The Commission retains overall responsibility for the quality of services delivered by these programs, for reaching Californians who need the services offered, and for ensuring prudent management of these funds. The DDTPAC serves as an agent of the Commission to implement the three statutory programs and as a liaison to the deaf and disabled communities. The DDTPAC Consolidated Budget funds all these programs. Decision (D.) 89-05-060 (I. 87-11-031) established that the annual budget should be submitted to the Executive Director and adopted by a Commission resolution.

DISCUSSION

Repayment of the Loan

From January 2001 to September 2001, the DDTP operated with a surcharge rate of 0%. Resolution T-16504 re-established the surcharge at a rate of 0.48% beginning September

1, 2001. During the first nine months of 2001, the DDTP operated from accumulated reserves. In September 2001, the DDTP exhausted funds needed to continue operating. AB 219 authorized the Commission to approve the Trustee of the High Cost Fund-B trust to transfer funds to the DEAF Trust. Subsequently, Resolution T-16565 authorized the Executive Director of the Commission to transfer funds in the amount of \$15,000,000 to the DEAF Trust. A loan agreement signed by the DDTP requires that the \$15,000,000 loan and associated interest be repaid into a memorandum account no later than June 30, 2002.

The DDTP provided TD staff a timetable outlining payments to be deposited in the memorandum account, as required by the loan agreement. The DDTP made an initial deposit of \$3,000,000 to the Memorandum Account at the end of December 2001. According to the timetable the DDTP plans to make deposits of \$4,000,000 at the end of January, February, and March 2002. Following the planned schedule, the DDTP will have the full amount of the principal deposited into the Memorandum Account by March 31, 2002. By June 30, 2002, the DDTP estimates interest income from the Memorandum Account to be \$173,750. An additional \$14,208 will need to be deposited into the Memorandum Account by June 30, 2002 to cover the DDTP estimate of \$187,958 in interest owed on the loan. TD recommends the timetable as set forth above.

January through June Budget

1. Receipts

During the first quarter of 2002, the DDTP must not only pay its usual expenditures, but the DDTP must also repay the \$15,000,000 loan. Because of the loan repayment and the fact that the DDTP pays most expenses one to two months in arrears, TD recommends retaining the surcharge rate at the existing level of 0.48% so that the DDTP can achieve a healthier, more stable financial status in this budget period.

For the January through June 2002 budget, TD has used a billing base of \$15.2 billion and the existing surcharge rate of 0.48% to estimate surcharge revenues of \$36.4 million. With an additional \$50,000 from toll revenues and \$173,750 interest accrued on the Memorandum Account, TD estimates total revenues of \$36.688 million.

2. Telecom Expenses

Telecom expenses include expenses for equipment purchases and CRS and Speech-to-Speech (STS) program expenses. In the year 2002, the DDTP anticipates the opening of an additional walk-in center, which it believes should contribute to increases in equipment usage for SB 597 and SB 60. TD has not received documentation showing any correlation between an additional walk-in center and equipment usage. In addition to the new walk-in center, the DDTP also plans to increase marketing and outreach

efforts through a media campaign that includes increased radio, television and newspaper advertisements. The DDTP anticipates that by increasing its marketing and outreach efforts, SB 244 will exhibit increased usages in the CRS and the STS programs. The DDTP has limited documentation showing a correlation between marketing and program usage.

Although TD is concerned with the limited amount of data showing any correlation between marketing efforts and program usage, we are equally concerned with under budgeting in these programs and potential negative effects on consumers served by the programs. Until such time that better data exists, TD recommends that the approved expenses for SB 597, SB 60 and SB 244 not be permitted to be used for other expenses.

DDTPAC has stated in the comments on the draft resolution that there is documentation showing a correlation between a walk-in center and equipment usage and between marketing efforts and program usage. TD recommends that the DDTP provide the Commission liaison a quarterly report, including at a minimum, the number of customers per month per center, the number of new customers per month per center and the number of new equipment units per center put into service.

a. SB 597

The DDTPAC proposed expenses of \$1.31 million for SB 597; the program that provides TTYs to deaf or hard-of-hearing individuals. SB 597 includes two major budget items: equipment purchases of \$1.14 million and tariffed services of \$11,800. For the purpose of this budget review, TD will focus on equipment purchases, since this item has historically represented more than 70% of the SB 597 budget.

In the year 2000, SB 597 actual equipment purchases of \$1.696 million exceeded the 2000 budget amount of \$1.572 million by 7%. The 2001 budget allotted \$1.406 million for equipment purchases. An annualization of the monthly expenses for January through September 2001 estimate SB 597 equipment purchases to be \$1.399 million.

The DDTPAC requested \$1.14 million for equipment purchases during the first six months of 2002. After reviewing the actual equipment purchases in the years 2000 and 2001, TD recommends \$800,000 for equipment purchases for the January through June 2002 six-month budget.

After including the additional budget expenses in SB 597, TD recommends total expenses of \$810,740 for SB 597 in the January through June 2002 six-month budget.

b. SB 60

The DDTPAC proposed expenses of \$3.741 million for SB 60; the program that provides other specialized telecommunications equipment to consumers with

hearing, vision, mobility, speech and cognitive disabilities. This program has three major budget items: equipment purchases, maintenance and tariffed services. TD will focus on the equipment purchases since this item has historically represented more than 65% of the SB 60 budget.

In the year 2000, the DDTP spent \$6.62 million for equipment purchases. In the year 2001, the DDTP anticipates spending a total of \$4.163 million for equipment purchases based on annualizing January through September 2001 actual expenditures. Using these historical expenses as a reference point, TD recommends \$2.69 million for equipment purchases for the January through June 2002 budget. After including the additional budget expenses in SB 60, TD recommends total expenses of \$3,500,000 for SB 60 in the January through June 2002 six-month budget.

c. SB 244

The DDTPAC proposed expenses of \$14.947 million for SB 244; a program that uses third-party intervention to connect individuals who are deaf or hearing impaired with hearing parties. SB 244 has two budget items: CRS and STS.

The DDTP believes that a decline in marketing efforts since 1999 has led to a decrease in program usage for CRS and STS. In addition, the DDTP believes that the decline in the use of STS during 2001 may also be attributable to an increase in the use of the internet. Until the DDTP has documentation verifying either of these possible correlations, TD recommends that program budgets be maintained near current expense levels.

In analyzing the CRS budget, TD reviewed the historical billable minutes over the last two years. In the year 2000, the actual amount of billable minutes per month equaled about 1.687 million. In the year 2001, the annualized amount of billable minutes per month, based on January to September actuals, equals about 1.619 million. Based on these historical figures, TD recommends expenses of \$13,597,295 for the CRS budget from January through June 2002, based on 1.678 million billable minutes per month.

In comparing the STS budgeted amount for January through June 2002 with the expenses in years 2001 and 2000, TD assumed all calls to be intrastate at a constant reimbursed rate for the given year. In the year 2000, the DDTP had a budget of \$1.52 million for STS and spent \$1.351 million. Customers used approximately 368,000 billable minutes at \$3.60 to \$3.75 per minute. In the year 2001, the DDTP had a budget of \$1.105 million and estimates spending \$1.064 million. The DDTP estimates that customers will have used 394,434 billable minutes at \$2.70 per minute during 2001. Based on these estimates, TD recommends an expense of \$619,333 for the STS program for the January through June 2002 budget.

TD recommends total expenses of \$14,216,628 for SB 244 programs in the January through June 2002 six-month budget.

3. Other Non-Administrative Expenses

a. Equipment Program

The equipment program, in prior budget years, was labeled central distribution warehouse. In working with the DDTP's new budget format, TD renamed this budget item to be consistent with the DDTP.

The costs for warehouse rent and salaries/wages in this budget category doubled due to a contract increase in rent and labor as of August 2001. The rental rate for the warehouse increased from \$0.56 per square foot to \$1.10 per square foot. In addition, the billing rate for direct labor increased from \$18.00 per hour to \$25.00 per hour. To account for the contract cost increases, TD recommends total expenses of \$1,110,596 for the equipment program for the January through June 2002 budget.

b. Field Operations

The increases in this budget category come from the anticipated opening, during the first quarter of 2002, of another walk-in center and the hiring of staff to fill field operations positions approved by the Commission in 2001. The DDTP received approval for an additional walk-in center in the year 2001. Due to the funding limitations during the first three quarters of 2001, the DDTP delayed opening the center. Two customer advisors will be hired to work at this center. In addition, the DDTP will also hire a field advisor, three field operations administrative assistants, and two other customer advisors. The Commission approved these positions in Resolution T-16491. The DDTP delayed the hiring of staff to fill these positions because of financial difficulties in 2001. TD recommends expenses of \$1,367,446 in the January through June 2002 budget for field operations, which include funds for the previously approved staff positions and walk-in center.

c. Customer Contact

In prior budget years, TD referred to this item as the call center. Beginning with this budget, TD renamed the call center "customer contact" to reflect the changes in the DDTP budget format.

Customer contact expenses cover centralized call center operations. The centralized call center operational expenses have increased due to changes in the most recent contract rates, impacting both the call center contract charges and the call center contract projects. Although the rate for the call center contract charges remains the same at \$4.59 per minute, the new contract guarantees the contractor

payment for 90,000 minutes per month. The DDTP estimates the average minutes per month to be approximately 103,000 based on 2001 figures. TD recommends an estimate of \$2.85 million for the call center contract charges. The new rate for the call center projects increased from \$15.25 per hour to \$16.00 per hour with an average of 1,200 hours per month. TD recommends an estimate of \$120,000 for the call center projects.

Other items in this category include \$45,000 for the centralization database, \$111,074 for personnel, and \$9,000 for miscellaneous expenses. Based on the increases mentioned above, TD recommends expenses of \$3,135,464 for customer contact for the January through June 2002 budget.

d. CRS

Items in this budget category were previously grouped in the administration budget category. The CRS salaries are based upon Commission approved 2001 salary ranges and include the addition of an administrative assistant, which was also approved in the year 2001. To cover the salaries of the CRS manager and the administrative assistant, TD recommends expenses of \$77,645 for the CRS program in the January through June 2002 six-month budget.

e. Marketing & Outreach

The DDTP requested \$2,185,851 for this budget category for January through June 2002. From 1999 to 2001, marketing and outreach efforts were decreased from \$2.16 million a year to \$1.6 million a year. The DDTP contends that decreases in marketing and outreach efforts may have contributed to decreases in program and equipment usage. The DDTP can provide no documentation verifying a correlation between marketing efforts and program usage. Until such verification exists, TD can only estimate amounts based on historical and anticipated expenditures. TD recommends that expenses approved for marketing and outreach not be permitted to be used for any other expenses.

The DDTP did not include a breakdown of budget items in its July budget submission. The accounting director for the DDTP provided TD a revised estimate of \$792,833 for marketing materials. This estimate included: 1) \$237,922 for media advertisements, 2) \$132,410 for direct mail, 3) \$244,075 for brochures, videos, and annual report, 4) \$40,000 for newsletters, and 5) \$138,426 for conferences. TD reviewed the DDTP estimate of \$792,833 for marketing materials, which, when annualized, is a 26% increase over the \$1,257,600 approved for the year 2001 budget. TD notes that the 2001 budget included \$549,000 to implement a 711 outreach and education campaign. The DDTP six-month estimate annualized is 124% more than the 2001 approved budget (without the 711 funds) and more than a 100% increase over the \$770,000 budget

amount approved for the year 2000. TD cannot agree with these large increases over a two-year period for this budget category.

TD acknowledges the financial limitations during both the 2000 and 2001 budget years and recognizes the DDTP's desire to increase marketing efforts. TD recommends a total expense of \$625,000 for the January through June 2002 six-

month budget; which, when annualized, is a 17% increase over the marketing materials approved budget amount of \$1.031 million for the year 1999—the most recent budget year without financial limitations. After review of the DDTP's marketing outline, TD estimates the following amounts for marketing materials: 1) \$103,800 for media advertisements, 2) \$132,450 for direct mail, 3) \$210,300 for brochures, videos, and annual report, 4) \$40,000 for newsletters, and 5) \$138,450 for conferences. Further details of the TD marketing material estimates are shown in Appendix B.

In the year 2001, the Commission approved a total of 16 positions for outreach operations. In December 2001, the DDTP employed a total of 13 people with a total actual salary of \$634,970. The DDTP did not hire the additional three positions due to year 2001 financial difficulties. In order for the DDTP to maintain a complete staff, TD recommends expenses of \$651,123 for outreach operations in the January through June 2002 six-month budget (\$393,317 for salaries, \$133,646 for taxes and benefits, and \$124,160 for other miscellaneous costs). The increase in outreach represents the hiring of the previously approved positions of two outreach specialists and a marketing administrative assistant.

TD recommends a total expense of \$1,276,123 (\$625,000 for materials and \$651,123 for outreach) for the marketing and outreach budget category in the January through June 2002 six-month budget.

4. Administrative Expenses

a. Trust Administration

The DDTPAC proposed \$676,272 for trust administration. The DDTPAC proposed that \$15,000 of its legal expenses be allocated toward the DDTP's incorporation as a non-profit organization. The DDTP plans to incorporate as a non-profit organization in order to bid as a sole-source contractor once SB 669 implementation occurs, which is currently scheduled for July 1, 2002. Upon review, the Legal Division of the Commission advised TD that this type of expenditure is an inappropriate use of public funds. TD recommends that the Commission not allow the \$15,000 in legal expenses to be used toward the DDTP's incorporation.

The Accounting Director for the DDTP provided TD revised estimates for individual budget items in the trust administration category. The majority of trust administration expenses are generated by the costs of the communications assistants (CAs). CAs assist in the communication between the deaf and disabled community and the hearing community. CAs include American Sign Language interpreters, captioners, and voicers. Using historical expenditures, the DDTP estimates CA expenses to be \$108,094. The DDTP's other estimates for trust

administration include: 1) \$90,000 for auditing/accounting expenses which typically occur during the first quarter of the year, 2) \$70,000 for legal expenses, excluding proposed fees allocated for the steps toward the DDTP's incorporation, 3) \$267,500 for consultant fees, which continues the desire of the Commission to control costs in this budget item, and 4) \$27,500 for financial advisor and trustee fees.

After reviewing the DDTPAC's proposed estimates, TD agrees with the DDTP's revised expenses for trust administration, less the \$15,000 legal expense as noted above, and recommends a total expense of \$563,094 for trust administration.

b. Committee Expenses

The DDTP Accounting Director provided revised estimated expenses of \$20,950 for the DDTPAC¹, \$27,550 for the CRSAC², and \$21,950 for the EPAC³ for the January through June 2002 budget. The six-month 2002 proposed committee expenses are substantially lower than the year 2001 approved expenses due to lower subcommittee expenses. The Commission does not provide per diems for attending subcommittee meetings. TD recommends the expense levels proposed by the DDTPAC for committee expenses.

c. Office Administration

The DDTP has redesigned its accounting system so that personnel costs for field operations, marketing & outreach and CRS have been reclassified to those budget categories. In order to remain consistent with the DDTP's system, TD has also reclassified those items for budget purposes.

The DDTPAC proposed total expenses of \$1.579 million for office administration; \$281,398 is apportionable or shared program administrative expenses and \$1.3 million is proposed for the DDTP administrative expenses. The Accounting Director for the DDTP provided TD with revised DDTP administration expenses of \$941,581. In the year 2002, the DDTP plans to fill the vacant positions of accounting manager and internal auditor. TD agrees that the vacant positions should be filled. TD recommends an estimate of \$933,812 for office administration in the January through June 2002 six-month budget.

NOTICE/PROTEST

On July 5, 2001, the DDTPAC submitted its proposed January through June 2002 budget to the Commission Executive Director and also sent copies of the proposed budget to all parties of record in I.87-11-031. Notice of this submission appeared on the Commission

¹ Deaf and Disabled Telephone Program Administrative Committee

² California Relay Service Advisory Committee

³ Equipment Program Advisory Committee

Daily Calendar on July 18, 2001. No comments were submitted to the Commission regarding the DDTPAC proposed 2002 six-month budget.

NOTICE OF AVAILABILITY OF CONFORMED RESOLUTION

In the past, the Commission has served hard copies of resolutions on carriers and parties on the appropriate service list(s). To be consistent with the Commission's commitment to utilize the internet for distributing Commission orders and information, TD has sent a letter of notice to the parties of record in I.87-11-031 informing them of the availability of the original draft resolution, as well as the conformed resolutions, on the Commission's web site, www.cpuc.ca.gov. In addition, a hard copy of the conformed copy of this resolution will be provided to all parties of record in I.87-11-031 and to members of the DDTPAC.

COMMENTS

In accordance with PU Code Section 311(g), TD mailed a copy of the original draft resolution on January 22, 2002 to the parties of record in I.87-11-031.

The only comments received on the draft resolution were submitted by the DDTPAC. The subjects addressed were as follows: 1) The Proceeding Number, 2) Receipts, 3) Telecom Expenses, and 4) Other Non-Administrative Expenses.

1) The Proceeding Number

DDTPAC points out that reference to the proceeding number should be I. 87-11-031. TD concurs and has used I. 87-11-031.

2) Receipts

DDTPAC states that TD estimated toll revenues at \$223,750 but Appendix A shows toll revenues of \$50,000. TD clarifies that the \$223,750 estimate includes interest accrued of \$173,750 as well as the \$50,000 for toll revenues.

3) Telecom Expenses

DDTPAC has provided information showing a correlation between an additional walk-in center and equipment usage. DDTPAC has provided some marketing effectiveness information between marketing and program usage. DDTPAC points out that the STS billing rate in 2000 and 2001 were reversed. TD concurs and has addressed these items.

4) Other Non-Administrative Expenses

DDTPAC points out that that the 2001 labor rate for certain categories in the central distribution center increased from \$18.00 to \$25.00 but the \$35.00 hourly rate for other categories did not change. TD concurs and has addressed this item. DDTPAC states that the only new staff for the new service center will be two Customer

Advisors. TD concurs but points out that the additional positions listed are in the Field Operations budget category but will work in locations other than this new service center. DDTPAC does not understand the statement that the annualized Marketing Media and Materials budget of \$792,833 is more than five times the 2001 approved budget. TD has recalculated the annualized increase at 124% for this budget item. DDTPAC states that the marketing budget increase from 1999 to the six-month 2002 budget is only 17% and that this is a 54% reduction from the amount originally requested for this budget. DDTPAC states that this reduction is due primarily to the complete elimination of TV advertising, including the production of public service announcements. DDTPAC is concerned about the complete elimination of expenses for TV outreach at this time and encourages the Commission to restore this item in the DDTP 2002-2003 budget. TD understands the DDTPAC concern to reach more consumers who are eligible to use the services of the DDTP but is hesitant to recommend, at this time, major increases in marketing until the \$15 million loan has been repaid and a reserve has been built up to cover accrued expenses which have not been paid. TD will review TV outreach expenditures in the 2002-2003 budget. DDTPAC requests that marketing budget expenses be allocated to the three programs of SB 597, SB 60 and SB 244. TD would consider this request after DDTP provides historical allocations for these budget expenses. DDTPAC recommends that TD adopt a "View 2" budget summary, which will allocate the categories of "Department/Administrative Expenses" to SB 597, SB 60 and SB 244. TD concurs and will implement with the 2002-2003 budget.

FINDINGS

1. The schedule for repaying the \$15,000,000 loan and associated interests into the Memorandum Account, as required by the Loan Agreement between the Deaf and Disabled Telecommunications Program and the California High Cost Fund – B Trust, is reasonable.
2. The Deaf and Disabled Telecommunications Program Administrative Committee proposed expenses of \$31,198,971 for the January through June 2002 budget.
3. A six-month budget of \$27,061,998 for January through June 2002 is reasonable for the Deaf and Disabled Telecommunications Program and should be adopted.
4. The Deaf and Disabled Telecommunications Program Administrative Committee has stated that data is available to show correlation between walk-in centers and equipment usage, and marketing efforts and program usage.
5. The existing surcharge rate of 0.48% should not be changed.

6. The Telecommunications Division estimates as set forth in Column B of Appendix A of this resolution are reasonable and should be adopted.

THEREFORE, IT IS ORDERED that:

1. The January through June 2002 adopted six-month budget for the Deaf and Disabled Telecommunications Program shall be \$27,061,998, as set forth in Column B of Appendix A of this resolution.
2. A surcharge rate of 0.48% shall continue until further order of the Commission.
3. The Deaf and Disabled Telecommunications Program shall provide a quarterly report to the Commission liaison starting May 1, 2002, for the first quarter of 2002 with data showing correlation between walk-in centers and equipment usage, and marketing and program usage.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 21, 2002. The following Commissioners adopted it:

WESLEY M. FRANKLIN
Executive Director

APPENDIX A

**Six Month Budget for Services Provided
to the Deaf and Disabled Telecommunications Program
January – June 2002**

	A Adopted 2001 12-month Budget	B Adopted 2002 6-month Budget	C DDTP Requested 6-month Budget
Unencumbered Funds - Begin	20,885,000	-5,381,600	0
RECEIPTS			
Surcharges	22,517,000	36,434,400	47,193,864
Toll Revenues	116,000	50,000	110,136
Investment Income	808,000	0	0
Miscellaneous Income	7,000	0	10,000
CRS Damage Assessments	0	0	100,361
Interest Income		173,750	0
Total Receipts	23,448,000	36,688,150	47,414,361
Loan	15,000,000		
TELECOM EXPENSE			
S.B. 597	1,970,900	810,740*	1,310,240
S.B. 60	6,498,100	3,500,000*	3,741,539
S.B. 244	27,041,000	14,216,628*	14,946,649
Total Telecom Expenses	35,510,000	18,527,368	19,998,428
DEPARTMENT / ADMINISTRATION EXPENSES			
Equipment Program ¹	2,576,000	1,110,596	960,00
Field Operations	480,000	1,367,446	1,648,576
Customer Contact ²	5,725,000	3,135,464	3,883,575
CRS ³	0	77,645	71,093
Outreach Media & Materials	1,257,600	625,000*	1,346,486
Outreach Specialists	360,000	651,122*	839,365
Communication Assistants ⁴	180,000	108,094	100,910
Audit/Accounting	86,000	90,000	43,189
Legal	100,000	70,000	20,000
Consultants	535,000	267,500	476,685
Financial Advisor	18,000	9,000	9,000
Trustee	37,000	18,500	26,488
Lockbox	6,000	1,500 ⁵	3,000 ⁵
DDTPAC	70,000	20,950	52,468
CRSAC	80,000	27,550	81,167
EPAC	70,000	21,950	62,274
DDTP Office Administration	2,624,000	933,812	1,579,267
Total Department / Administration Expenses	14,204,600	8,534,629	11,200,543
TOTAL EXPENSES	49,714,600	27,061,998	31,198,971
Loan Payments / Related Interest	3,000,000	12,187,958	12,187,958
Unencumbered Funds End	-5,381,600	4,214,552	4,027,433

* Amounts marked with an asterisk cannot be reallocated to other budget items.

1. Formerly referred to as Central Distribution Warehouse
2. Formerly referred to as Call Center
3. Prior to 2002, this budget item was included in Office Expenses
4. Formerly referred to as Interpreters
5. In 2002, this amount is included in DDTP Office Expense, but shown separately as a matter of historical reference

APPENDIX B

**Six-Month Budget Marketing Media Outline
Deaf and Disabled Telecommunications Program
January – June 2002**

Marketing Activity	DDTP Estimates	TD Estimates	Category	Notes
Media Print	\$83,092.00	\$62,319.00	media	(reduced by 25%)
Media Radio	\$35,000.00	\$26,250.00	media	(reduced to 75 spots instead of 100)
Direct Mail	\$118,080.00	\$118,080.00	direct mail	
CTAP / CRS Brochures	\$175,000.00	\$175,000.00	brochures	
Newsletter	\$40,000.00	\$40,000.00	newsletter	
Videos	\$24,075.00	\$0.00	video	(delayed until 02-03)
Event Booths	\$19,200.00	\$19,200.00	conference	
Events Costs	\$24,226.00	\$24,226.00	conference	
Media Development	\$12,430.00	\$12,430.00	media	
Promo Materials	\$35,000.00	\$35,000.00	conference	
Campaigns @ Conferences	\$60,000.00	\$60,000.00	conference	
Miscellaneous	\$2,400.00	\$2,400.00	media	
Customer Satis Survey	\$14,330.00	\$14,330.00	direct mail	
TV	\$105,000.00	\$0.00	media	(delayed until 02-03)
Financial Report	\$45,000.00	\$35,000.00	annual rep	(reduced, product cost exorbitant)
Totals	\$792,833.00	\$624,235.00		

Category	DDTP Estimates	TD Estimates	Difference
Media	\$237,922.00	\$103,800.00	56% decrease
Direct Mail	\$132,410.00	\$132,450.00	0
Brochures, Video, Annual Rep	\$244,075.00	\$210,300.00	14% decrease
Newsletter	\$40,000.00	\$40,000.00	0
Conferences and Events	<u>\$138,426.00</u>	<u>\$138,450.00</u>	0
Totals	\$792,833.00	\$625,000.00	